

## H. GOODING FIELD EXPLAINS FAULTS OF INTER-ISLAND

Non-public Utilities Enterprises  
Built At Expense of Trans-  
portation Business

EXPLANATION IN RECORD  
IN SPITE OF PROTESTS

Methods Have Reduced the Pro-  
fits Made By Company's  
Steamers, Auditor Says

Definite statement of the fault be-  
side with the financing and accounting  
methods of the Inter-Island Steam Na-  
vigation Company was made by H. Good-  
ing Field, auditor for the public utilities  
commission, at the hearing yesterday  
under examination by Charles R.  
Forbes, commission chairman.

Referring to the sums shown in his  
report as drawn from the insurance  
fund, the repairs fund and the con-  
struction and repairs fund as well as  
surplus to make up two \$750,000 stock  
dividends, Field declared that the com-  
pany has built up its non-utility en-  
terprises out of the earnings from its  
transportation business—its public utility  
enterprise—to the detriment of the  
public utility business and the services  
rendered by this end of the business  
to the public. In addition he stated  
that the operating expenses of the  
steamers have been unduly burdened  
with insurance costs which have de-  
creased the apparent profits of the  
steamers and the apparent cash divi-  
dend rate paid by the company.

Field gives figures  
According to Field's report the com-  
pany declared a stock dividend of \$750,  
000, June 30, 1916, made up of \$125,  
000 from the repairs fund, \$476,193.15  
from the insurance fund, and \$148,806.  
85 from surplus and another stock divi-  
dend March 1 this year made up of  
\$7,078.71 from the insurance fund,  
\$62,941.47 from the construction and  
repairs fund and \$629,979.82 from sur-  
plus.

Field's stand is that these funds,  
the insurance, the repairs and the con-  
struction and repairs have been built  
up out of the earnings of the com-  
pany's steamers by being charged to the  
operating expenses of the steamers;  
that withdrawals from these funds to  
gether with sums from surplus have  
been used to make up stock dividends  
to provide increased capital which he  
considers has been used to establish the  
parts of the company's business which  
have nothing to do with the steamer  
transportation system and are not part  
of the public utility end of the com-  
pany. In this connection he said:

**Benefits Shifted**  
"My contention is that had these  
charges not been made, the profits of  
the steamers would have been larger.  
If the accumulations had been kept in  
the utility end of the business it would  
have been a different matter. But part  
or the greater part of these accumula-  
tions have been invested in non-public  
utility ends of the business.

"Instead of the public utility end  
of the business of the Inter-Island being  
improved by these stock dividends, they  
are invested in non-public utility enter-  
prises."  
"If this method of appropriating  
funds, built up from charges on the  
operating expenses of the transporta-  
tion business, were continued, in time  
all the earnings of the public utility  
end of the business of the company  
would be put into non-public utility en-  
terprises to the detriment of the utility  
end of the business.

"Most certainly this procedure would  
effect rates.

"If the surplus earnings of the trans-  
portation business are invested into  
something to better the public utility  
end of the company and better the ser-  
vice of the utility to the public there  
would be no objection to the stock  
dividends because they would increase  
the service of the company as a utility  
to the public.

**Troun On Stock Dividends**  
"Modern accounting and standard  
finance authorities frown on stock  
dividends as they have a tendency to  
increase the watered stock of a corpora-  
tion. There is, however, no objection  
to stock dividends by a public utility  
corporation if the assets into which  
they are invested are directly control-  
lable by the company.

"In this case the dividends have  
been taken out of the public utility  
end of the business and invested in  
non-public utility enterprises over  
which it has been claimed here by  
company officials, the utility has no  
control and has no connection."

Forbes then asked a question of  
Field in which he referred to Field's  
statements as characterizing the com-  
pany's procedure as "irregular." L.  
J. Warren, attorney for the company,  
objected. Field stated that the term  
"irregular" did not apply, and the  
word was stricken out. Forbes' next  
question and Field's answer precipi-  
tated a heated argument.

"In establishing the non-public utility  
business of the Inter-Island com-  
pany's operations, what should have  
been the proper procedure in organiz-  
ing these other interests of the com-  
pany?" Forbes asked.  
"In my opinion," Field replied,  
"instead of the earnings and this ac-  
cumulated surplus going into the estab-  
lishment of non-public utility enter-  
prises, the public utility end of the  
company's business should have been  
strengthened by increasing the floating  
reserve of the company or, by better-  
ing the present steamers to give the  
improved service."

## MYSTERY VEILS TRAGEDY Private Shoots Down His Sergeant

MYSTERY still today surrounds  
the murder and suicide that  
shook Schofield Barracks late  
Monday night and snuffed out the lives  
of two soldiers of the Thirty-second  
Infantry.

Without warning, apparently with-  
out reason, Francis J. Murphy, stable  
sergeant of headquarters company, was  
shot in his own room by Edwin H. Robin-  
son, a private of the same company, and  
died a few hours later. Robinson  
then turned the gun upon himself and,  
after firing one ineffectual shot and  
adjusting the mechanism of his army  
distol, shot again, the bullet penetrat-  
ing his brain and killing him instantly.

The only incident, so far as known,  
that might have aroused Robinson's  
murderous frenzy was that he had  
seen making undue noise in the squad  
room, where he was working around  
his trunk locker, and had been cau-  
tioned by the sergeant to be quieter.  
Sergeant Murphy then walked into his  
own room. A moment later Robinson  
straightened up from bending over his  
runk, walked down the squad room to  
the door of Murphy's room with a  
flashlight in one hand and was heard  
to say:

"Are you anything you want to  
say before you die?"

Then, without waiting for an an-  
swer, he fired and Sergeant Murphy  
fell to the floor without speaking. Robin-  
son then killed himself.

So far as has been definitely learned,  
there was no blood between the two  
men, unless it be that Robinson har-  
bored a grudge because Murphy had  
once warned him that he would report  
him if he caught the private "boot-  
legging." Robinson, however, had  
come out of the guardhouse Monday  
where he had been held several days  
following his arrest in Honolulu for  
drunkenness. One report has it that

Attorney Warren emphatically ob-  
jected to the answer as not responsive,  
and after he had been sustained by  
James L. Coke, commission attorney,  
in a long argument, the answer was  
stricken from the record. Field finally  
answered the question by the state-  
ment that he could give no absolute  
opinion. Continuing under Forbes' questioning, Field went on to say:

"I see no reason why any non-  
public utility enterprises should have  
been established because if the public  
utility end of the business—the steam-  
ers for instance—needed merchandise  
or ship-chandlery, such supplies accord-  
ing to my idea should have been en-  
tered as part of the public utility end  
of the business and not segregated as  
a separate business.

"If coal supplied to and used by the  
steamers had been charged to the  
steamers at absolute cost instead of be-  
ing sold at a profit for the company's  
coal business in other words if no  
public utility end of the business it  
would have been a different matter."

**Still Another Protest**  
Field's reference to the company's  
method of accounting in supplying its  
ships with coal called forth another  
protest from Warren who declared, in  
denial of Field's assumption that no  
official of the company had stated that  
the company sold coal to its steamers  
at a profit to the company's coal busi-  
ness.

Discussion of the company's insur-  
ance fund, as shown on Field's report,  
opened the hearing. The report shows  
that from this insurance fund, built up  
by monthly charges against the operat-  
ing expenses of the steamers, three  
withdrawals have been made, totalling  
\$649,264.77, to make up part of three  
stock dividends. The balance in the  
insurance fund March 1, 1916, after  
the last withdrawal was \$509,272.50  
according to the report, making a total  
of \$1,158,537.27 that has been with-  
drawn from the insurance fund and  
charged to the operating expenses of  
the steamers. Referring to this amount,  
Field said:

**Expenses Overly Large**  
"The operating expenses of the  
steamers of the Inter-Island company  
have been unduly burdened and ex-  
cessively charged in accumulating this  
insurance fund."

"If not charged to steamers on ac-  
count of insurance this amount would  
have shown in the profits of the steam-  
ers, that is in the net profits. The net  
profits would have been much higher,  
which would have shown a greater sur-  
plus; and funds available for cash  
dividends would have been larger, hence  
the percentage of dividend payments  
would have been higher."

Field pointed out here that the non-  
utility end of the business had been est-  
ablished from accumulated surplus.  
Consideration was then given the ta-  
ble in Field's report, published in full  
in The Advertiser of Saturday, Novem-  
ber 18, which shows the dividend pay-  
ments to the capital stock issued to  
have been paid out at a rate ranging  
from seven and eight-tenths to eleven  
and seventy-five hundredths per cent,  
an average of nine and forty-seven  
hundredths for eleven years from 1905  
to 1916. Field tabulates beside this a  
list of percentages figured on \$1,100,  
000, which he calls the "actual invest-  
ment" of capital stock, bearing stock  
dividends, which shows the cash divi-  
dend rate ranging from ten and nine-  
tenths to twenty-four and fifty-four  
hundredths per cent. Out of discussion  
of comparative percentages came  
Field's denials and direct criticism of  
the company's financing.

Field again repeated his assertion  
that the depreciation, insurance, re-  
pairs, and construction and repairs  
funds were covered only by the cash  
surplus of the company, when they  
should be actual funds set aside and  
"carried" consisting of cash or  
negotiable instruments. He pointed  
out that his reading of the last but  
one sheets of the company showed  
only about \$600,000 of available cash,  
negotiable paper and bills receivable  
which was less than the total of the  
depreciation, insurance, and construc-  
tion and repairs accounts, which sur-  
plus is supposed to cover.

**VON JAGOW RESIGNS**  
(Associated Press by Federal Wireless.)  
AMSTERDAM, November 22 —  
According to despatches received  
here from Germany last night, Herr  
von Jagow, German minister of for-  
eign affairs, has been compelled to  
resign his portfolio because of ill  
health. Herr Zimmermann probably  
will succeed him, adds the report.

**WHY IT SELLS.**  
Chamberlain's Cough Remedy is the  
largest selling cough medicine in the  
world today, because it does exactly  
what a cough remedy is supposed to do.  
It stops the cough by curing the cold,  
and does it speedily and effectually.  
The sale by all dealers. Hansen, Smith  
& Co., Ltd., agents for Hawaii.

## FEELING MINISTERS TO LEAVE AT ONCE

Request For Extension of Time  
Limit in Athens Is Refused  
By Allies

(Associated Press by Federal Wireless.)

ATHENS, November 22.—The diplo-  
matic representatives of the Allied  
Powers who have been ordered to leave  
this country on a specially provided  
ship not later than today, yesterday  
asked Admiral du Poutet, commanding  
the Allied fleet here, for more time.

They declared that they could not  
wind up their affairs and the affairs of  
their offices in the time limit given  
them. They wanted to be allowed to  
remain here until Saturday, and spent  
most of yesterday in conferring with  
neutral consuls regarding the subse-  
quent care of German interests.

It is believed that the United States  
will take over the affairs of Turkey,  
Bulgaria and Austria, while the Dutch  
minister will be charged with the af-  
fairs of the German Empire. The Aus-  
trian minister has decided to leave  
quietly.

It is understood that the request for  
an extension of time has been denied  
by the Allied authorities.

## FAMOUS CRIMINAL ARRESTED AGAIN

'Sir' Harry Cooper Reported  
Serving Time in An Aus-  
tralian Prison

(Associated Press by Federal Wireless.)

SAN FRANCISCO, November 22 —  
'Sir' Harry Cooper, former and big-  
gest of international fame whose op-  
erations have extended from this city  
round the world, and who was sup-  
posed to have been serving a life term  
in prison in Johannesburg, South  
Africa, has been arrested in Sydney,  
Australia, tried and convicted on two  
charges of forgery according to news  
from the police here yesterday.

The sudden bobbing up again of  
'Sir' Harry in another part of the  
world, while he was believed to be  
safely incarcerated for the rest of his  
natural life in a Johannesburg peni-  
tentiary was made known by William  
Pinkerton, of the Pinkerton Detective  
Agency. Pinkerton declares he has  
positive information that Cooper is  
under arrest in Sydney where he was  
convicted on two charges of forgery.

'Sir' Harry has been working under  
the alias of "Surgeon Major Home"  
in Australia, according to Pinkerton.

## DEUTSCHLAND WELL ON HER WAY HOME

(Associated Press by Federal Wireless.)

NEW LONDON, Connecticut, No-  
vember 22.—With the German subma-  
rine merchantman Deutschland well on  
her way to sea, no Allied war vessel  
or any German conveying U-boat were  
reported outside last night, and it is  
believed that the Deutschland is safely  
away on her journey to Germany.

The Deutschland started to sea short-  
ly after two o'clock yesterday morn-  
ing after minor repairs had been  
completed. Following her departure  
merchant diver's ramming and sinking one  
of her convoy tugs on her first start  
some several days ago.

The Deutschland left with flags fly-  
ing and her crew on deck. She went  
under her own power, a tug follow-  
ing, but the submarine needed no as-  
sistance. Thousands on shore watched  
her departure.

After passing the lighthouse at the  
entrance to the harbor the Deutsch-  
land headed west, apparently intend-  
ing to make straight course for Race  
Rock near where she rammed her con-  
voying tug the other day.

Before leaving counsel for Captain  
Koenig deposited bonds to cover the  
suits occasioned by the loss of the  
tug, and the tug's crew. The suits amount  
to more than \$100,000.

## GERMANS UNWILL TO AMERICAN OFFICIAL

(Associated Press by Federal Wireless.)

AMSTERDAM, November 22 —  
American Consul Muthy, stationed at  
Hof, who has been visiting his daughter  
in Stockholm, arrived here yesterday  
after two trips through Germany. He  
reported that although he was  
treated unkindly by the authorities  
at Warnemunde. This treatment  
was reported on his return through  
Germany, in spite of the assurances of  
the German minister in Denmark that  
he would be protected. Mr. Murphy is  
accompanied by his wife.

## SWITZERLAND WILL IGNORE NEW KINGDOM OF POLAND

(Associated Press by Federal Wireless.)

PARIS, November 22.—The govern-  
ment of Switzerland will refuse to re-  
cognize the newly created kingdom of  
Poland according to reports received  
here yesterday from Bern. Germany  
and Austria recently announced the  
restoration of the kingdom of Poland  
declaring the Poles released from Rus-  
sian control in the lands of the former  
Polish kingdom held by Germany with  
in its present Eastern front.

## HOTEL STREET PLAN MAKING PROGRESS

Probable Frontage Assessments  
For Improvement Laid Be-  
fore Supervisors By Arnold

(Associated Press by Federal Wireless.)

The widening and improving of  
Hotel Street from Bishop Street to  
Nuanuan Street came up for discussion  
before the board of supervisors last  
night when Supervisor Arnold presen-  
ted a resolution fixing the probable  
frontage assessment for the improve-  
ment.

According to the resolution, which  
was passed by the board, the improve-  
ment is divided up into three zones.  
This, explained Arnold, was in order  
to make the assessments equitable  
and in accordance with the benefits  
derived from the improvement by the  
property owners.

The first zone will be from Nuanuan  
Street to Bishop Street, the second zone  
to Fort Street and the third zone to  
Bishop Street. Under the plan work-  
out by Supervisor Arnold the prop-  
erty owners between Bishop and Fort  
Streets will bear the heaviest assess-  
ment, probably as high as \$53.80 a  
front foot. This amount, although  
high, Arnold explained, was not con-  
sidered extravagant by the property  
owners affected in view of the great  
benefits to be derived by having the  
street widened and improved.

The other two zones probably will be as-  
sessed \$13.30 per front foot.

The matter will be taken up again at  
the next meeting of the board to be  
held next Tuesday evening at half-past  
seven.

## HILO COMPANY SUES CHARLES R. FORBES

(Mail Special to The Advertiser.)

HILO, November 20.—When the final  
question came before Judge C. K.  
Wednesday, of the questions involved  
in the application of the Hilo Meat  
Company for a permanent injunction  
against Charles R. Forbes, superintend-  
ent of public works, and August An-  
tone, contractor for the extension of  
the Hilo armory, to prevent the build-  
ing of such an extension according to  
the specifications, the entire matter  
was referred to the supreme court of  
the Territory.

The two fundamental questions in  
the petition for an injunction as sub-  
mitted by H. L. Ross, attorney for the  
petitioner, were:

"Are the said ordinances of the  
County of Hawaii binding upon the de-  
fendants herein?"

"Shall a temporary injunction here-  
before issued in this case be made per-  
manent?"

These were the questions reserved to  
the supreme court, where they will be  
presented on briefs. The petitioner  
holds that the ordinances referred to,  
which determine the class of buildings  
to be erected within the fire limits of  
Hilo, should be enforced against the  
Territory. S. S. Rolph, deputy county  
attorney, appeared for the Territory in  
the matter, and will, with W. H. Boers,  
county attorney, submit briefs uphold-  
ing the right of the Territory to add  
to a building upon the head of repair  
at least forty per cent of its value.

## CHINESE SOLONS APPROVE OF LOAN

(Associated Press by Federal Wireless.)

PEKING, November 20.—The lower  
house of the Chinese parliament yester-  
day unanimously approved the loan  
of \$2,000,000 to the government of  
China by three Chicago banks arrang-  
ed by Dr. Wellington Koo, Chinese  
ambassador to the United States.

The terms of the loan include the  
hypothecation of the taxes of the Chi-  
nese government on tobacco and wine  
for a period of three years.

The senate is expected to vote soon  
on the loan and all reports are that it  
involves the financial project as much  
as the lower house. Government cir-  
cles are jubilant over the success of  
the negotiations of Dr. Koo and the  
approval by home interests. The loan  
brings immediate prospects of  
strengthening the banks of the coun-  
try and relieving the financial strain  
generally.

The negotiations are understood to  
have been approved by Mr. Lansing,  
American secretary of state. Dr. Koo  
is reported to have tried to raise the  
money in Europe but failed.

## NEW SOUTH WALES UPSETS GOVERNMENT

(Associated Press by Federal Wireless.)

SAN FRANCISCO, November 22 —  
The reorganization of the government  
of New South Wales as a result of the  
recent vote against conservatism was an-  
nounced here in a cablegram received  
by the Australian Trade Commission  
yesterday.

The new government was brought  
about as a direct result of the division  
of the labor party on the subject of  
conscription according to the message.  
A new progressive party has been or-  
ganized, the cablegram states, with a  
cabinet composed of an equal number  
of labor members and liberal members.  
Mr. Holman, premier of the new  
government and Mr. Beeby, head of the  
new progressive party, is minister of  
labor and industry. Mr. Durack is lead-  
er of the opposition.

## RECENT WORK ON CONCRETE ROADS

Scientists Advise How to Mix  
and Lay Roads To  
Wear Well

(Associated Press by Federal Wireless.)

Considerable advance is being made  
in the science of concrete road construc-  
tion. Indiana University has completed  
studies of cracks formed in two-course  
reinforced concrete roads. A report on  
its subject states that "some of the  
cracks are undoubtedly due to insuffi-  
cient lapping of reinforcement. Others  
appear to be due to failure to procure  
a subbase of uniform density. Lack of  
proper drainage may also have had a  
part in it."

In tests made by W. D. Uhler, report-  
ed in Municipal Journal, it was found  
that the greatest strength commensur-  
ate with economy in cost of mixing was  
obtained from a mix of ninety seconds  
duration. Six-inch cubes were made up  
each day from parts of the regular mix  
and set aside for testing at periods of  
seven, fourteen and twenty-eight days,  
and six months. The seven-day com-  
pression test ran from 1000 to 3635  
pounds per square inch, the fourteen-day  
test from 1372 to 4215, and the twenty-eight-day test from  
2362 to 5361. This indicates that con-  
crete roads should not be opened for  
traffic for at least four weeks after the  
concrete is poured.

**Value of Reinforcing**  
It was concluded that one-quarter  
inch joints filled with bitumen with  
edges rounded and protected by bitu-  
men are more satisfactory than steel  
protected joints.

It was further concluded that better  
results at the same cost may be secured  
by the use of side and seven-inch con-  
crete thickness, using light metal fabric  
reinforcing, than with plain concrete  
reinforced, six inches thick at the  
sides and eight inches thick at the cen-  
ter. In other words, the reinforcing is  
equivalent to one inch of concrete.

It is stated in conclusion, "that es-  
sential features for a good concrete  
road are: a hard, dense surface,  
true to grade and cross section, free  
from waves, depressions and irregulari-  
ties, and one that will assure uniform  
wear."

**Too Much Water Had**  
In Cement Era, E. McCullough re-  
ports on some recent experiments to de-  
termine the right amount of water to  
use in concrete. His experiments prove  
that a measured amount of water,  
amounting to a little less than six  
pounds (six pints) of water per cubic  
foot of dry materials used, produced  
the ideal mixture for concrete roads. It  
was found that a full mixture of mixing  
was necessary to get the water well  
distributed through the mass.

McCullough's experiments give re-  
sults in accord with the recommenda-  
tions of many engineers that sparing  
use of water with thorough puddling as  
concrete mix is poured, produce the  
most durable concrete. There is a good  
deal more to be making of satisfactory  
concrete roads than merely mixing the  
required volumes of ingredients with  
water added by guess work. Sloppy  
concrete containing an excess of water  
does not compare in durability with  
comparatively dry mixtures puddled as  
they are put down.

**MINISTER DISMISSED**  
(Associated Press by Federal Wireless.)  
PEKING, November 22.—Minister of  
Interior A. H. Sun, has been dis-  
missed from the cabinet because of a  
controversy he has had with Premier  
Luan.

The For West has generally been  
recognized alike in the cabinet, the Su-  
preme Court and all high official groups  
intended to be of a thoroughly na-  
tional character. Three or four changes  
in the personnel of the supreme court  
may be expected in the nature of  
things during the next four years, and  
one or more of these nominations may  
go to the West, or, more likely, to Cal-  
ifornia. Again Mr. Lane's name comes  
to mind; for he has been much men-  
tioned as Supreme Court timber. The  
present Californian on the court, Asso-  
ciate Justice Joseph McKenna, of Sta-  
helen, is now seventy-three and eligible  
to retire if he wishes.

A number of California Democrats  
are holding tolerably good positions  
here—Alexander T. Vogelzang, as as-  
sistant secretary of the interior; Rich-  
ard T. Mather, as assistant to the  
secretary of the interior; Anthony  
Amintorelli, as commissioner-general of  
immigration, and so on through quite  
a list. There are Nevada Democrats,  
too, such as Clay Tallman, commis-  
sioner of the general land office. Most,  
if not all of these will now probably  
hold on through another four years.

The peculiar manner in which the  
election was decided by the West, and  
particularly by California, for Wilson  
will, if anything, make the tenure of  
all federal officials in California more  
secure.

California and Nevada ever have  
matters of moment to their own people  
for consideration of congress. Some-  
times these matters are purely local and  
others have also federal importance,  
such as legislation for the navy and  
legislation that deals with activities  
and developments on the Pacific. In  
all these California probably will  
take a better position to speak powerfully  
and convincingly in the next four  
years than ever before.

## REST AND PEACE

Fall upon distracted  
households when  
Cuticura enters.

All that the fondest of  
mothers desires for the  
tortured and disfigured  
infant is to be found in  
warm baths with

## CUTICURA SOAP

And gentle anointings  
with Cuticura Ointment.

